

FARMINGTON CITY – CITY COUNCIL MINUTES

JUNE 23, 2020

WORK SESSION

Present: Mayor Jim Talbot; City Manager Shane Pace; City Councilmembers Scott Isaacson, Shawn Beus, Amy Shumway, and Rebecca Wayment; City Recorder Holly Gadd; Community Development Director Dave Petersen; Finance Director Greg Davis; Assistant City Manager/Economic Development Director Brigham Mellor; Assistant City Manager/City Engineer Chad Boshell; City Parks and Recreation Director Neil Miller; Public Works Director Larry Famuliner; Police Chief Wayne Hansen; Fire Chief Guido Smith; and Recording Secretary Deanne Chaston.

BUDGET DISCUSSION

The work session was held to discuss amending the annual budget for Fiscal Year ending June 30, 2020, and adopting the annual budget for Fiscal Year ending June 30, 2021. Councilwoman **Rebecca Wayment** offered the invocation. Mayor **Jim Talbot** advised the group to stay healthy while COVID case numbers are on the rise.

Finance Director **Greg Davis** shared a projection for sales tax revenue in the general fund. As of last night, Farmington received some additional sales revenue. While preparing the budget, **Davis** said that April's sales tax revenue has been the largest question mark, and he took a conservative approach. He has good news to share, as the actual number for April came in higher than the projected figure that was used to prepare the budget. The projected sales tax revenue was \$4.773 million, and now it is \$5.178 million for Fiscal Year 2020. This is about \$400,000 better than was projected, as the months of the pandemic turned out better than originally projected and resulted in only being behind \$122,000 from the original budget. Developmental inspection fees and building permits have come in better than anticipated as well. The budget had called for use of \$993,000 out of the "rainy day" fund, but the increased revenue means that less will need to be pulled out of the rainy day fund. As the sales tax figures from June still need to come in, **Davis** said there is still a lot to sort through in the next coming months. He said he will inform the Council of the results of a coming audit as well.

Davis also said that while preparing the budget, the certified tax rates had not come in yet, but they have now. The official general tax rate to support general obligations and debt is 0.001491.

City Manager **Shane Pace** said this is good news, as the City anticipates pulling less out of fund balance for the current fiscal year. It could have been as high as \$1 million coming out of fund balance. Unless the next two months of sales tax don't come in as expected, that won't happen. The proposed budget will only need \$150,000 out of the rainy day fund. **Pace** said he expects to maintain the fund balance for Fiscal Year 2021.

Davis said that there was some interest in postponing approval of the water rate increase, since it was just recently put in the newsletter. He said the Council could adopt the budget for next year without the fee increases within the water fund, or in other words, adopt the consolidated fee

schedule except for the water rate increases. He said it would amount to the loss of about \$6,000 each month in revenue if the water rate increase is not accepted.

NORTH FARMINGTON STTION EAST PROJECT MASTER PLAN (PMP)

The Council discussed the upcoming North Farmington Station East Project Master Plan (PMP)/Development Agreement and Zone Change, comprised of 92 acres and various land uses. **Mayor Talbot** said the Project Master Plan is made up of three things: 1) office space next to the freeway; 2) the north component with retail and commercial, which will need a zone change from Agriculture (A) to Office Mixed Use (OMU); and 3) a residential portion. Assistant City Manager/Economic Development Director **Brigham Mellor** said tonight the Council will be considering everything east of the future Commerce Drive to the freeway, which is the office area. Later this week the Planning Commission will be considering everything west of the future Commerce Drive. The development agreement calls for every one acre of office, the developer gets three acres of residential.

City Councilman **Scott Isaacson** noted the change to the development agreement in the attachment proposed by the developer, calling for the construction timeline to be market-driven instead of formula-driven. He said it can't be both ways. Councilman **Shawn Beus** said it is confusing to have a PMP East and a PMP West.

Councilwoman **Amy Shumway** asked what the percentage would be for residential vs. commercial in the 33 acres of mixed use, denoted by a tan area. Community Development Director **Dave Petersen** said the developer is in the middle of a traffic analysis that will eventually produce data to be fed into the traffic model in order to answer that. The developer is planning a hotel in the commercial area by the freeway, with mixed uses including eating places and retail. **Mellor** said there had been mention of a grocery store also.

Shumway asked if it could be adjusted later in order to push more commercial. **Petersen** replied that since the table doesn't spell it out, the Council could push for more commercial in the future. He also said that it could be up to 130 residential rooftops, although the transportation model shows significantly less. The form-based code predicts density, and unless the developer puts in parking structures, it will be difficult to fit in all the residential they want to do. **Mellor** said the form-based code was the process used for the Avanti Apartments. **Pace** noted that the PMP East calls for 33 acres of residential, while PMP West (including the right of way) calls for another 35 acres.

Mayor Talbot said that the previous input that the Council members gave developer STACK was proper, and the Council should not lose control of development in this area. He said keeping the ratio would protect the City. **Petersen** said that once the area is designated PMP, the developer can put residential in there that sticks to the ratio. The developer doesn't want to stick to the ratio, and the Council does. Amending the regulating point requires a legislative action.

Isaacson said it would be more value added if residential apartments are located around the transit station. **Mellor** said the Council and developer have tried to work out a compromise in the past. **Petersen** mentioned that a decent compromise would be to get the developer to stick to

residential of 36 feet in height along the trail. He said there are homes in other neighborhoods that are taller than that.

Beus said his vote on the PMP East would depend on what will happen in the PMP West.

Petersen said that the Council's motion could include that things don't go into effect until the trail boundary is determined, which worked well on the Cook property. **Pace** noted that the agreement doesn't require the developer to build office first, just consecutively with residential.

Isaacson asked that if the developer can't live with the ratio, shouldn't they bring that up in the Planning Commission? **Petersen** answered that the way the ordinance is written, the City Council can modify or add to the recommendations of the Planning Commission. It is always in the Council's purview to kick it back to the Planning Commission. **Pace** said if the Council were to approve what the Planning Commission recommended with the ratio intact, the developer would be able to do residential on 33 acres. **Mellor** emphasized that this is a very big deal.

Mayor Talbot said the community is concerned with the amount of residential that could be coming in with this proposal. **Petersen** said that although not required at this stage, a traffic study will be required with the first development plan. The development proposal would be denied if the road can't support the density proposed, or the developer would be forced to put in less dense residential. He said the absorption for this development is the year 2049, and as such all elements of the development wouldn't be built overnight because the market can't absorb it that fast. **Shumway** noted the traffic problems in Herriman and Riverton, and warned that Farmington needs to properly plan to avoid a similar situation.

REGULAR SESSION

Present: Mayor Jim Talbot; City Manager Shane Pace; City Councilmembers Brett Anderson (by phone), Scott Isaacson, Shawn Beus, Amy Shumway, and Rebecca Wayment; City Recorder Holly Gadd; Community Development Director Dave Petersen; Finance Director Greg Davis; Assistant City Manager/Economic Development Director Brigham Mellor; Assistant City Manager/City Engineer Chad Boshell; City Attorney Todd Godfrey; City Parks and Recreation Director Neil Miller; Public Works Director Larry Famuliner; Police Chief Wayne Hansen; and Recording Secretary Deanne Chaston.

CALL TO ORDER:

Mayor **Jim Talbot** called the meeting to order at 7:00 p.m. The meeting was held in person and electronically.

Roll Call (Opening Comments/Invocation/Pledge of Allegiance)

Councilman **Shawn Beus** offered the invocation, and the Pledge of Allegiance was led by **Mayor Talbot**.

Purchase of Home and Portion of Lot located at 588 North 1525 West

Assistant City Manager/Economic Development Director **Brigham Mellor** said that the June 2 open house discussed how to keep freeway traffic coming off the West Davis Corridor from funneling through West Farmington neighborhoods. The City worked with engineers and land planning groups to determine the need for a four-lane road paralleling the 1525 West alignment to the east of the Denver and Rio Grande Western Rail Trail (D&RGW Trail).

While drawings are still conceptual at this time, it is apparent the home of resident **Deb Turpin** would be significantly impacted in any alignment scenario. The City decided to be proactive and mitigate that impact as soon as possible. In consultation with **Turpin** and the City Council, several different options were considered. **Turpin's** total property is 1.01 acres and the appraisal came in at \$453,000. By buying the front half of her property with impact fees for the right of way (ROW), and then trading her back half for land owned by the Redevelopment Agency (RDA), the City can facilitate her wish to continue residing in Farmington. **Mellor** said this was an "arm's length transaction," and the City is not forcing anyone from their home. Under the terms of this agreement, **Turpin** will be permitted to stay in her home at 588 North 1525 West for 12 months (or longer, if needed) rent free while she constructs her new home. The culinary water utility stub will be installed by the City on her new half-acre lot at 55 West 100 North in East Farmington. By accepting this agreement, the City will waive **Turpin's** building fees, with the exception of those identified as impact fees, at the issuance of a building permit on this particular lot. He said **Turpin** can tie into the storm drain system if needed.

Mellor said the City hasn't condemned property since 1983, and he was pleased with the outcome of these negotiations. The 1.01-acre west Farmington property will now be owned by the RDA. **Mellor** said he anticipates another \$2,000 in fees and the City would forgo the plan check and inspection fee. He said the City is also in discussions with **Mr. Cox**, who has property on the south. The City doesn't anticipate building that road immediately. **Mayor**

Talbot said this is a critical north-south artery the City needs to help move people, and it is a good practice to try to not condemn property if it can be avoided.

Resident **Deb Turpin**, 588 North 1525 West, Farmington, addressed the Council. She has lived in the home since 1993, raised her children there, and her grandchildren love the house. She said she was upset and cried at first, but then hired a lawyer and negotiated with the City. She is happy with the outcome, and said the City went out of their way to work with her.

Motion:

Councilman Scott **Isaacson** moved to approve the purchase and real estate contract between Farmington City (buyer) and **Deb Turpin** (seller) for the home and a portion of the lot located at 588 North 1525 West for \$453,000 (plus processing fees, taxes and insurance).

Beus seconded the motion. All Council members voted in favor, as there was no opposing vote.

REDEVELOPMENT AGENCY MEETING

Motion:

Councilwoman **Rebecca Wayment** made the motion to adjourn to the Redevelopment Agency meeting. Councilwoman **Amy Shumway** seconded the motion, which was unanimously approved.

During roll call, all members were present, including Councilman **Brett Anderson**, who attended telephonically.

Resolution Amending the Annual Budget For Fiscal Year ending June 30, 2020; and Adopting the Annual Budget for Fiscal Year ending June 30, 2021

Finance Director **Greg Davis** said the RDA members (City Council members) could adopt the fee schedule as recommended except the water fee. However, that is not part of the RDA fund and could be voted on during the regular meeting.

Motion:

Wayment moved to approve the Redevelopment Agency's annual budget for fiscal year ending June 30, 2020, and adopting the budget for fiscal year ending June 30, 2021.

Shumway seconded the motion. All members voted in favor, as there was no opposing vote.

Trade of Parcel ID: 070290024 for a Portion of Parcel ID: 08060016

Motion:

Shumway moved to approve the trade with **Deb Turpin** for property owned by the Redevelopment Agency located 55 West 100 North for the back part of her property for the at 558 North 1525 West.

Councilman **Scott Isaacson** seconded the motion. All members voted in favor, as there was no opposing vote. He noted that the appraisal showed that the trade included the same approximate size and value.

Beus said he appreciated the collaboration between the property owner and the City.

Motion:

Councilman **Shawn Beus** made a motion to adjourn and reconvene to the open City Council meeting. The motion was seconded by **Wayment**, and was unanimously approved.

PUBLIC HEARINGS:

Chestnut Farms Phase 3 Subdivision Plat Amendment

Community Development Director **Dave Petersen** presented this agenda item. Applicant **Steve Van Otten** requested to amend the Chestnut Farms Phase 3 Subdivision Plat to adjust the south boundary line of Lot 306 by acquiring a 3,996 square foot strip of land from parcel 08-074-0063 to the south. This is on the north side of the 475 South area. The property is zoned Agricultural Estates (AE). The applicant desires to install a swimming pool within the 3,996 square feet. A plat amendment is required to adjust the boundary of the subdivision.

The City must determine if there is good cause for the amendment and if no public street, right of way, or easement has been vacated or amended. As this request does not include the signatures of all property owners within the plat, owners received notification per state law and were provided an opportunity to protest. On June 11, 2020, a letter was sent to all property owners regarding this proposed amendment. A protest was not received within 10 days, and one email came in that supported the amendment.

Petersen said there are concerns with the property owner placing landscaping like trees, boulders and pavers in the drainage easement for a line from 1350 South to the new crossroad and retention basin. He said if the City has to come in and replace the drainage line in the future, something could be recorded against the property that the resident would have to pay replacement costs for the landscaping that would be disturbed. **Brian Jacobs** with the Development Review Committee (DRC) works for Weber Basin and has seen such easement agreements with property owners. He previously mentioned this could be added as a condition for approval.

Mayor **Jim Talbot** opened the Public Hearing. Nobody signed up to address the Council on the issue. **Mayor Talbot** closed the Public Hearing.

Applicant **Steve Van Otten** attended the meeting electronically via Zoom.

Motion:

Councilman **Scott Isaacson** moved that the City Council approve the proposed plat amendment to the Chestnut Farms Phase 3 subdivision thereby adjusting the boundary line, as requested by the applicant, subject to all applicable Farmington City standards and ordinances and that all existing easements must remain in place. Further, the applicant shall continue to work with the City and other agencies to address any outstanding issues remaining with regard to the plat prior to recordation.

The finding for approval includes: the lot size created by the adjustment will be 0.89 acres, still greater than a half-acre in size. However, there is good cause to approve the amendment because no new lot is created, only the adjustment of a common property line acceptable to both owners.

Councilman **Shawn Beus** seconded the motion. All Council members voted in favor, as there was no opposing vote.

North Farmington Station East Project Master Plan (PMP)/Development Agreement and Zone Change

Petersen presented this agenda item. In November of 2016, the City received input from a number of stakeholders and contracted to conduct a planning charrette, which produced a conceptual master plan for the 220+ acres of property north of Shepard Creek, west of the Union Pacific tracks, east of the Denver and Rio Grande Western Rail Trail (D&RGW Trail), and south of Shepard Lane. The resulting master plan document, or sub-area master plan to the City's General Plan, was intended to guide and inform the development of a future mixed-use office park. **Petersen** said this area is different from the rest of the City, as it is a hole in the middle of Davis County that will someday have eight interchanges (including Legacy Parkway, West Davis Corridor, I-15, and U.S. 89) with a lot of access. As such, this area is not suited to single-family residential development. There are no cities to the east or west of Farmington, which is a long city stretching north to south. **Petersen** said the City would like to take advantage of the freeway access by having Class A office space, which is a good employment base.

On Tuesday, June 2, 2020, the City held an open house to receive citizen input regarding a proposed realignment to Commerce Drive, which is the major north to south street intended to connect 950 North to Park Lane. The Urban Design Associates (UDA) plan shows the corridor for this principal street close to Interstate 15 and the Union Pacific tracks. The proposed alignment is located further west at 1525 West. The North Farmington Station PMP places the Commerce Drive corridor in an alignment consistent with the information presented at the open house. The proposed PMP also shows a new principal street, Digital Drive, between Commerce Drive and I-15, which is also consistent with plans displayed at the open house.

STACK Real Estate is now proposing a more specific PMP encompassing some 104+ acres of the UDA master plan. Half the property is zoned Office Mixed Use (OMU) already, and the rest is proposed to be rezoned to OMU. An issue remains regarding the Development Agreement: the proposed office to residential ratio set forth in Paragraph 5.b. Although initially the applicant was in favor of such a ratio calling for one acre of office for every three acres of residential, he now maintains that due to the present uncertain office market due to COVID, they cannot fulfill that commitment right now.

On Thursday night, the Planning Commission will consider the PMP West, which is slightly smaller. At that upcoming meeting, the amendment to realign Commerce Drive will be presented with three proposed uses: office, hospitality, and mixed use commercial/residential. There will be a remote transit hub, an extension of commuter rail, to take commuters from the site. Two proposed development will provide a middle connection greenway for two regional trails (D&RGW Trail and Legacy Parkway Trail), as well as trail connections for Haight Creek and Shepard Creek.

Isaacson said he would like to wait for both PMP East and West to be presented before voting on either.

Andrew Bybee and **Nathan Rick**, representing STACK Real Estate, 2801 N. Thanksgiving Way #100, Lehi, Utah, addressed the Council. **Bybee** said working with the City in the past months has been first class. He wants North Farmington Station to be a SMART community on

the west side of Interstate 15. SMART stands for: Sustainable, Mixed use, Attractive, Realistic, and Transit-oriented.

Rick said that there are only two locations between Ogden and Provo with this much land as a blank canvas. This is a very rare opportunity and something really unique, a place to create a gathering place and employment center. He said his company has done four similar projects and built all over the Wasatch Front. A lot of developments are not sustainable, and the mix of uses is critical. It needs to be built in a quality way to stand the test of time, but also have lease and rental rates that people can afford. According to Envision Utah, the State's population will double by 2060, and we are out of land. The fringes for development are being pushed, and there is a better way to do it. It is not a new way, but an old way with having homes closer to services.

Bybee said tonight they will present their plans for everything east of Commerce Drive, and then two weeks later everything west of Commerce Drive. He said his company is fine with receiving approvals after both sides have been considered together, and there is no reason to get one approved before the other. He said the Development Agreement speaks of a cadence of office to residential. Pre-COVID his company felt they could get one office building off the ground. Post-COVID, his company does not feel comfortable with that cadence, and they consider themselves an expert in office space. Office is currently in a trench, and they believe these 130 acres deserves something different. They now believe there should not be a designated cadence of what should be built first. Rather, they would like to let the market determine what to start with and when, and have that included in the PMP. They also would like the public infrastructure to be paid for and installed by the City using available funding sources such as two CRAs.

Beus said the City and developer both have the same goal in mind, which is Class A office park, a place to live, work and play in Davis County. But section 5.b. is troubling. He asked **Rick** and **Bybee** if they were in agreement with section 5.b., which is the ratio of office to residential. **Bybee** said they are not in agreement. **Beus** asked what the developer would propose as an alternative. **Bybee** said to strike through section 5.b. entirely.

Councilman **Brett Anderson** asked what the market is driving right now. **Bybee** replied a shovel-ready site—with stubbed in infrastructure and roads—and residential. He said four months ago, it was office. But now, with the amount of inventory available, there is a trench in the office market that will have to be worked through before more inventory is put on the market. He said he hopes Farmington won't ask for them to wait for the office market to recover in order to develop this property. **Rick** requested a different treatment after COVID, as they debated whether to extend or not, and even if to do this project or not.

Isaacson said he was surprised that STACK hadn't involved the Development Review Committee (DRC), which is an important part of the process. He asked if the developer wanted the timing on Page 5 to be changed, or the balance of office and residential.

Rick said they are fully committed to the 29 acres fronting I-15 to be commercial office space. He said the only group that could change that is the City Council. He is confident that office will come back, but he doesn't know what that will look like in the future. They are comfortable

locking that in and focusing on office. However, they want consideration that they are not restricted, and that the market can dictate what to build otherwise. He said he is aware that a lot of multi-family residential has already been approved.

Councilwoman **Rebecca Wayment** asked if STACK is committed to 29 acres of Class A office, and if they still want 33 acres of residential. **Rick** replied they are committed to 15 acres of commercial or additional office. He said STACK is willing to lock in land uses so the City is in control.

Mayor Talbot asked who dictates the market. Is it a real estate agent? He said STACK is changing the whole game plan from office to residential after COVID hit. He said it was a fast change that he is not comfortable with. He said the City hasn't changed their game plan, and when STACK did, it threw the City for a real loop. Perhaps it would be better to let a few months or years go by to continue the conversation.

Rick said he acknowledges the Mayor's concerns, and agreed they did change the game after coming to an agreement with the City. However, COVID has caused the most massive economic disruption in the history of the U.S. What took five years during the Great Depression happened in three months now. He said it is honestly scary to make this commitment. He said lenders will dictate what the market drives. STACK manages 2.5 million square feet of office space, and only 10 to 15 percent of that is full. Parking lots are empty. He said they don't know when it will turn around. They thought by the end of the summer tenants would come back, but only half came back. The rest of the square footage was put back on the market. He said if the City could help get the site shovel ready, so that it has the capability to have a project built in 12 to 14 months, STACK will market the heck out of it. However, it would be nice if they didn't have the additional pressure of the ratio.

Bybee said if lenders don't lend and tenants don't lease, or resident don't rent or buy, then STACK doesn't have a project. He said worst case scenario is that there is residential in the tan-colored area, and nothing in the blue colored area. He asked if the blue was left blank, yet the only thing that could go there was office, would the City have lost its vision? Millions of dollars have been invested in that dirt.

Councilwoman **Amy Shumway** said it is reckless of the City Council to take 5.b. out, as it leaves it wide open. If the market is allowed to dictate, it will leave the development with all residential and no business park. She said she has no problem with residential being started along the rail trail. She would like more negotiation to take place.

Mayor Talbot opened the Public Hearing.

Rich Haws, with Red Barn Farms, at 1200 W. Red Barn Lane, Farmington, addressed the Council. He said he started this process 25 years ago, and built the first three-story office park. He planned a second office building, a five-story building. Because of the COVID-19 situation, he has been considering alternatives. He has met with STACK and is excited to work with them. He wondered if some of STACK's requirements could be met by using his property, which he said is shovel-ready.

Ben Rollins, 902 Lands End Road, Farmington, said North Farmington Station is exactly what the City needs. He said his neighbor works for Farmington, is from Farmington, but started his business in Utah County because Farmington lacks a center of gravity. He said he wants residential in the area, not random apartment buildings throughout the City. He said the “cool kids” need a place to go North of Salt Lake City. He would hate to lose that in Farmington with regulations that go against the market.

Chris Roybal, 1267 W. 1875 North, Farmington, said he is familiar with economic development as the past president and CEO of EDCUtah, as well as Governor Huntsman’s chief economic advisor. He said North Farmington Station has been 50 years in the making. He said there is only one other site on the Wasatch Front similar to Farmington’s, and that is Draper, which is 15 to 20 years out. This development would be 1.5 million square feet of technology park office space employing 10,000 people above the average wage. He said that even though COVID has knocked office on its head short term, he is an optimist. He said Farmington has serious advantages over other sites, and he hopes the dialog continues moving forward.

Cindy Roybal, 1267 W. 1875 North, Farmington, has served on both the Planning Commission and City Council of Farmington in the past, and has lived in the City for over 30 years. She said she feels very passionate about this project. She says the City has rarely if ever seen a developer the quality of STACK walk in and say they want to be part of a development in Farmington. She hopes that negotiations will continue.

Chris Falk, 2946 W. 550 North, West Point, addressed the Council. He is a principal broker for Newmark Knight Frank, a commercial real estate firm in Salt Lake City. He said he is a big believer in commercial real estate in Davis County, and has been working with the owners of the land in question for years. He hopes to bring great Class A office products to the County. He said he was bringing real time numbers to Council members that night. Pre-COVID, the market could handle 3.5 million square feet in new office construction. However, since March 1, 550,000 square feet of sublease space has been added to the market. That is a big add. The 10-year average is 19,000 square feet per year of sublease space being added to the market. He said it will take three to seven years to absorb that 550,000 square feet of sublease space. The data suggests up to seven years, but he doesn’t believe it will take that long. He said he is seeing lenders unwilling to lend on speculative build projects, as well as developers in other states backing away from projects. While he believes the office market will rebound, he can’t give a definite time frame of when that will happen. He said there are three questions tenants typically ask: 1) the distance to the airport; 2) access to mass transit and amenities; and 3) access to amenities such as entertainment, food and concessions for employees, and single-family and multi-family housing. Since thousands of tenants have interest in this area, he hopes there will be friendly collaboration on this project. He said it is a once-in-a-lifetime legacy opportunity.

Jason Lindsey, 23 E 600 North, Farmington, addressed the Council. He started Overstock.com, and he and 300,000 of his employees commute to work in the Cottonwood area. He would like to have this project in Farmington. He also is a commercial investor in St. George, where he can’t get new tenants now. He has been resurfacing all his parking asphalt because there are no cars there lately. He is an investor with STACK and is worried about the project if the developer

is forced to develop office. His son, an entrepreneur, lives in Farmington, and he hopes his commute can be shorter in the future than it is now to Salt Lake. He said if office has to be first, Farmington City will drive away the best developer in the state, in his opinion.

Chris Watkins, 1922 N. Compton Road, Farmington, said he grew up in Farmington. He is a private citizen with a retail investment company in Farmington. His retail restaurant investment is Ruth's Chris Steak House in Salt Lake City, which he said is the second largest producing franchise in the United States. The number one franchisee in Indianapolis told **Watkins** that if he didn't get involved with the mixed-use model with retail on bottom and higher residential above, he wasn't going to beat them. **Watkins** said that was the first time he recognized that this development in Farmington was an opportunity that he didn't want to pass on. This project could make a company like his, and emphasize a whole different clientele of retail.

Jake Lindsey, 23 E. 600 North, Farmington, said he has lived in Farmington for four years. He said this project would make it easier for him to decide to stay in Farmington, as it makes complete sense to him as an entrepreneur.

Kyle Stowell, 1764 Burke Lane, Farmington, addressed the Council. He said he represented neighbors and friends, and had been following this issue on social media. He said for the existing residents, this will have a huge impact on them with tall buildings and high density. He would like a buffer and transition in building heights. For the people he has talked to, the buildings are just too tall. He would like to see some discussion about building heights, and a limit on the number of feet. He asked about the 200-foot buffer, and if it would go the whole length of the rail trail.

Shawn Alabrando, 1453 W Thomas Drive, Kaysville, addressed the Council. As a developer, although not affiliated with STACK, he is considering developing 10 to 20 acres in the area. His family shops, eats and plays in Farmington. He said very few developers can take on a project of this size, and he supports the project. He said the project would benefit Farmington and its residents in several ways. It would be a distinguished landmark of the City that residents and the City could be proud of. STACK is one of the top office builders in the state, and they build beautiful buildings where employees like to work. If Farmington allowed various developers to build 5 to 20-acre pieces, it would end up with hodge podge development that wouldn't look nearly as nice and flow as well as if there was a single developer doing it. He said partnering with STACK is perfect for Farmington. This project could take 10 to 30 years to develop. He is not patient enough to spend that kind of time on a project, but a project of this scale is important to the City.

Lori Conover-469 Quail Run Road, Farmington, addressed the Council electronically. She said she grew up in Farmington, came back, and loves the feel of Farmington. However, this project would change the City. She said with the freeway entrances on and off, it makes sense to have office in this area. However, the building heights are a concern to her. She would like to see some land retained to be used for agriculture, and asked the Council to consider the citizens of Farmington.

Mayor Talbot closed the Public Hearing. He said this was a big public hearing.

Wayment said she appreciated the public input, and was excited to have STACK take on this project, as she is impressed with their products. They brought the project to life for her instead of just having in on paper. Farmington has been a bedroom community for a long time, but won the jackpot with Station Park. This has the same potential that if done right, would be a huge gem in Farmington. However, she said she is concerned about jumping into something three months post-COVID that looks different than what the City had worked for and longed for, for more than 20 years. She said she doesn't want to give up her dream of having office space in this section of the City. She said if the build starts with residential, she is afraid it will end only with residential and the dream of an office park could disappear. While she is on board with the project, she doesn't feel comfortable with taking out part B. She wants office and residential to go in at the same time, or office space to go in first. But she doesn't want to see this die on the chopping block. She hopes in this volatile time that a solution could be realized. She said this PMP is too important to have residential be first.

Wayment asked about minimum and maximum building heights. **Petersen** said the PMP West starts at 36 feet in height after the buffer, then moves up in a tiered approach from there. He is more worried about a minimum height. He said there is a big difference in cost from six stories vs. 12.

Wayment said she has been in office spaces since the 1990s, and there have been a lot of iterations since then. She predicted that post-COVID office spaces will be innovative. While it may take time to see the demand, she thinks that time will result in a better product.

Beus said his background is economic development, and he is a huge fan of the market driving decisions like this. While cities stepping in can be an abuse of power, sometimes the market gets it wrong. He said his default is market-driven, and so he would like to see more flexibility for section B. A rework of 5.b. will be important Thursday at the Planning Commission meeting. He also wants to pursue what **Rich Haws** suggested during public comment. He would like to respect the expectations of the other tax paying entities in the CRA, such as the school district, which is the largest entity. He said he does believe the office market has changed. During his career, he has never worked from home before. He loves it and doesn't want to go back. He said he is hearing momentum to table this agenda item tonight.

Isaacson said he is really impressed with this project, a future walkable community. Given the economic collapse that has been suffered, he respects that STACK is willing to continue. This agreement is pursuant to Statute Section 11-18-140, and he doesn't think this does everything it should such as common area management plan, architectural plans, etc. He said he is leaning towards tabling this. This agreement is important to the future of the City, so the requirements in that section should be reviewed. He wants the agreement to meet all statutory requirements. Since this will govern at least the next 20 years of that project, it should touch on all of Section E of the code. He would like to understand more about what STACK is asking for regarding infrastructure, but that can be done later. **Pace** said the Council hasn't seen the reimbursement agreement yet, and that relates to infrastructure for roads, utilities and financing. **Isaacson** said

he feels he is more sympathetic to the developer's plight than his fellow council members, and he has a sense that the Council may need to be more flexible.

Rick said that it may have been a better deal with how it was written previously, but it would require STACK to commit to a \$30 million building without having tenants in place. It is difficult now to find a lender and a tenant. What the market wants now is residential.

Assistant City Manager/Economic Development Director **Brigham Mellor** said a lot of work has gone into assembling this property, and it has been worked on for over 10 years. He said he fully believes there is a way to work out a compromise, but it is not STACK's way or the highway. He understands they have 132 acres under contract, and that they are beholden to the market, but they and the City have to work together. He said if the Council decides to table this, they should recommend some instructions to work out a compromise. He said it is a big mistake to do all the residential they want whenever they want to do it.

Mellor said commitments have been made to taxing entities that Farmington will build office, and the City will have to answer to the State, County and School District. If they see only residential going up, they will be mad. He said the City has stood before residents for years through master plans, but to then build apartments based on three months of COVID is not good.

City Attorney **Todd Godfrey** said he has watched a lot of Councils sit right where the Council is now, and struggle with issues like this. The way he has seen these issues resolved is not just through the Development Agreement and Project Master Plan. There is a lot of room to talk about how to structure something that hasn't been thought about yet. He said the Council can step back from it, because he has some ideas and there are things that can work. He does think it would be wise to table this agenda item as the Development Agreement is not in executable form. Neither party want to sign it, and there is work to do to bridge that gap.

Mayor Talbot said he doesn't want to feel pressure to do something just to do it. Things need to be done to get everyone on the same page. No one is saying the City doesn't want STACK to be part of Farmington or do this project. But it is important the developer understands and respects what the City is trying to do. This should not be a deal killer, and nobody should be threatening anything. The City hasn't gone this far in negotiations with an attorney, but the developer has. This is a squabble that doesn't need to happen, and both parties need to be happy. On one side, he is sensitive to the huge layout of cash on the part of the developer. On the other side, the City needs to do its part to have it shovel-ready.

Pace said the City has physical constraints, and needs a minimum of two years for roads. He said construction can only happen on Burke Lane because that is the only road that is ready right now.

Beus said he would like to table this item, but look into what **Haws** brought up and have time to consult with the City Attorney. **Godfrey** said it would be good for the Planning Commission to consider the PMP West on their upcoming agenda, which will be a public hearing.

Motion:

Beus moved that the City Council table consideration of the North Farmington Station East PMP.

Wayment seconded the motion. All Council members voted in favor, as there was no opposing vote.

Isaacson said there is a deal to be made, even if he needs to help. **Mayor Talbot** said he wants to go on record saying that there is a deal to be made.

NEW BUSINESS:

Exception to Dead End Street Standard—Second Point of Independent Access—Brighton Homes

Petersen presented this agenda item. He said Brighton Homes will purchase the Cook property and the hotel and office building is not possible anymore. On June 12, 2020, the Planning Commission approved the Preliminary Plat and recommended the exception regarding dead end streets. The developer is proposing 50 townhomes for this site, which is consistent with the recommended amount from the City Council. However, the maximum allowance for a dead end street is 24 units. This proposed exception would allow the applicant to build 50 townhomes on the dead end.

In the original plan, Parcel A was slated for hotel or office space. COVID has made financing hotel or office space difficult at this time, and forced the party developing the northern section out of the plan at this time. Originally an exception was unnecessary because entrances to the hotel would provide secondary access. The northern parcel of the site will presently remain undeveloped, and the applicant will place the public road and bridge or box culvert over Shepard Creek. This is in lieu of a 20-foot wide creek trail that does not enhance the site aesthetically or practically. **Petersen** said the 20-foot wide meandering trails for a second point of access seemed like a Band-aid that would be a mistake to make. The applicant will finance and execute the improvements, while the pioneering agreement will ensure property owners reimburse their part when Parcel A develops. **Petersen** said this dead end makes sense contextually, while providing good improvement to the property. It will be nice to have the culvert in and have connection over to the Jones property. Both the Planning Commission and DRC recommended this exception. So, now the trail will be eight feet wide, and the road will be brought all the way to the Jones site.

Mayor Talbot said that here is another example of giving in to 50 residential units in order to get a hotel, but now the City didn't end up getting the hotel. **Shumway** said this is a lesson learned on a smaller piece of property. **Wayment** asked what would happen if the City Council didn't approve the exception. **Petersen** said the streets would have to be widened to 20 feet for fire trucks and garbage trucks, and the number of units would have to be reduced from 50 to 24 units.

Motion:

Shumway moved that the City Council not require a second point of independent access for the proposed east-to-west public road as shown on the preliminary plat for the Farmington Station Parkway Subdivision subject to the following conditions:

1. The developer must dedicate the right of way and construct the road including, but not limited to, all improvements, utilities and box culvert across Shepard Creek, stubbed to the west property line.
2. The City shall enter into a pioneering agreement with the developer to enable possible reimbursement for a portion of the improvements starting from the east side of Shepard Creek west to the west property line.

Findings for Approval:

1. The exception is recommended by the Planning Commission, planning staff, the City Engineer and the Public Works Department.
2. The exception does not compromise full turn-around movements for the Fire Department and garbage pick-up.
3. The ordinance likely assumes dwelling units to mean single-family homes, which produce more traffic than townhomes; therefore, the dead end street will likely service 50 townhomes sufficiently.
4. Approval of the special exception ensures good improvement to the property via the public road. It supports future development on neighboring properties via the bridge or culvert.

Isaacson seconded the motion. **Wayment** voted nay. **Anderson, Isaacson, Beus** and **Shumway** voted aye.

Resolution Amending the Annual Budget For Fiscal Year ending June 30, 2020; and Adopting the Annual Budget for Fiscal Year ending June 30, 2021

Mayor Talbot said he spoke with **Anderson** prior to this meeting about the finances, and **Anderson** is comfortable with the budget as proposed.

Motion:

Beus moved to approve and adopt the resolution amending the budget for fiscal year ending June 30, 2020, adopt the budget for fiscal year ending June 30, 2021, and adopt the certified property tax rate of 0.001491 for fiscal year 2021. However, the water fee increase will be stricken from the fee schedule at this time.

Wayment seconded the motion. All Council members voted in favor, as there was no opposing vote.

SUMMARY ACTION:

Minute Motion Approving Summary Action List

The Council considered the Summary Action List including the First Amended and Restated Interlocal Agreement—Utah Risk Management Agency (URMA).

Isaacson said he read it in its entirety and thinks it is fine.

Motion:

Isaacson moved to approve the Summary Action list items as noted in the staff report.

Shumway seconded the motion. All Council members voted in favor, as there was no opposing vote.

GOVERNING BODY REPORTS:

City Manager Report

Pace presented the Fraud Risk Assessment prepared by City Treasurer **Shannon Harper**. Beginning in 2020, the Office of the State Auditor requires that all local governments complete a fraud risk assessment internally.

Finance Director **Greg Davis** said the assessment is to see if the City has good staffing, internal controls, policies, and internal controls to reduce the risk of fraud. He said after completing the State Auditor's fraud risk assessment, the City has found that it is currently at "very low" risk for fraud. He said there is a need to formalize the involvement and role of the committee, which is the City Council.

Police Chief **Wayne Hansen** said he had a request from a resident, Travis Jarmin, father of an African American 13-year-old son. He had some fears and worries, and would like to organize a rally on Tuesday, June 30, for 200 to 300 people to show their solidarity. It would be family-friendly and youth-oriented with a speaker and a walk through the park. They requested a waiver of fees for scheduling the park. **Hansen** said there is not a need for additional staffing.

Beus said it sounds like a free speech rally, and asked if the City has a zone for that. **Pace** said Farmington used to, but does not anymore. **Mayor Talbot** said to be careful setting a precedence with fee waivers, but he is not opposed if the Council wants to give the authority to eliminate the fee for the rally. **Isaacson** said it would be wise to articulate the reasons why the waiver is offered, such as: in recognition of the significant and unique time of our country facing racial issues, the City is showing support for human rights. **Hansen** said the fee helps cover the costs of renting the park.

City Recorder **Holly Gadd** said she has been working on the policies and procedures manual, and she would like to change the vacation policy. Under the current policy, upon being hired, an employee is allowed four hours a month of vacation for the probationary period. After that, it bumps up to eight hours every month. As it is an impediment when hiring, **Gadd** would like to eliminate the four hours. Farmington has a number of employees they have brought on from

other cities with lots of experience such as police, fire, and paramedics. She would like the ability to provide more vacation time up front with the approval of the City Manager and upon recommendation of the Department Head for individuals with previous experience. **Beus** said the current policy is below market.

Pace said that he has been employed with Farmington for 1.5 years, and the longest he has taken time off is two days. This vacation policy applies to him, as his contract does not address additional vacation time. **Mayor Talbot** said when an exempt or appointed full-time employee is hired, that policy should not apply. However, it should apply to regular hourly employees.

Pace brought up CARES funding, and said the City has not had a lot of expenditures due to the virus. There was a suggestion to use CARES funding to extend internet fiber to all parks. The City Attorney and County Auditor both didn't think it was viable to being reimbursed through the CARES Act. Davis County proposed putting \$5 million of its CARES funds toward small business grants, and asked cities to match it. **Pace** asked the Council to take half the money Farmington had received to put in a pool for small business grants, which would help revitalize the County's economy. **Mayor Talbot** said he heard about this in the Council of Governments (COG) meeting, and that the deadline to get the money to businesses is the first part of July. He said all the mayors thought it was a good idea to have the County manage it. He suggested Farmington use the business license list to send out a letter to all business to contact the County regarding these grants.

Pace said that CRS has now vacated the City building upstairs, and Farmington will begin locating six employee offices there. The existing offices are extremely small, so the City is getting bids on costs to change the layout.

Mayor Talbot and City Council Reports

Shumway mentioned that she got her 15, 30 and 50 miler award on Farmington trails.

ADJOURNMENT

Motion:

Wayment made a motion to adjourn the meeting. **Shumway** seconded the motion, which was unanimously approved.

Holly Gadd, Recorder